Registry No. 409—06

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

WHOLESALE STATIONERY INDUSTRY

AS SUBMITTED ON AUGUST 31, 1933

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U.S. DEPOSITORY

The Code for the Wholesale Stationery Industry in its present form merely reflects the proposal of the above-mentioned industry, and *none of the provisions contained therein are to be regarded as having received the approval of the National Recovery Administration as applying to this industry*

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SUBMITTED BY

WHOLESALE STATIONERS ASSOCIATION OF THE U.S.A.

(II)

CODE OF FAIR COMPETITION OF THE WHOLESALE STATIONER'S DIVISION OF THE STATIONERY AND OFFICE EQUIPMENT INDUSTRY

To effectuate the policy of Title I of the National Industrial Recovery Act, the following provisions are established as a code of fair competition for Wholesale Stationers:

Article I—Purpose

This code is set up for the purpose of cooperating with the manufacturers of all types of stationery and allied products, to bring about increased employment, to increase purchasing power, to increase industry, to foster fair competition, to render economical service of distribution to manufacturers, to establish fair and adequate wages, and to ELIMINATE UNFAIR TRADE PRACTICES in connection with the distribution of stationery products.

Article II—Participation

Participation in this code and in any subsequent addition to the code shall be extended to any person, partnership, or corporation, conducting a legitimate wholesale business in the stationery industry. It is not COMPULSORY that all such individuals, partnerships, or corporations, be members of the Wholesale Stationers' Association; BUT, this code and all of its provisions have been developed by this Association and its membership, as the only recognized trade Association incorporated and organized for the wholesale stationery division of this industry, and including therein as members the principal wholesale distributors of stationery in the United States, therefore, this code is a true statement of ethics and trade practices covering the necessities of fair competition to enable wholesaling in the industry to be operated successfully and profitably under the Industrial Recovery Act, and subsequent regulation and enforcement of the code will be entirely in the hands of this Association and its membership.

Active membership in the Association is open to any proven reputable legitimate wholesale distributor of stationery and allied products in the United States.

Article III—Classifications of the Wholesale Stationer

For the purpose of administration of this code the wholesale of stationery is defined and classified as hereto set forth:

First. Wholesale distributors selling principally stationery and allied products.

Second. Wholesale druggists maintaining a recognized wholesale stationery department.

Third. Wholesale paper houses maintaining a recognized wholesale stationery department.

Fourth. Wholesale toy and notion houses with substantial stationery departments.

In each and every classification, a LEGITIMATE wholesaler must buy and sell for his own account, maintain stocks and warehouse, and perform the recognized functions of wholesaling.

ARTICLE IV—LABOR CODE

SECTION 1. Employers in the wholesale stationery division of this industry shall comply with the requirements of the National Industrial Recovery Act as follows: (1) that employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

SEC. 2. With the exception of special provisions as hereinafter noted, the maximum hours of work for the employees in this branch of the industry and the minimum wages to be paid shall conform to the following schedule.

The minimum wages shall be at the following rates:

Cities of 500,000 population and over	$14.00 per week.
100,000 to 500,000	13.50 per week.
Other Communities	13.00 per week.

Distributors located in the Southern Section of the United States, South of the Mason and Dixon Line will pay a minimum of $1.00 per week less than these schedules.

Except that on and after the effective date of this code, Junior employees between the ages of 16 and 18 years, inclusive, with less than six months' experience in any wholesale establishment, shall be paid at the rate of $12.00, $11.50, and $11.00 as of the classification of communities listed above, and except that apprentice employees more than 18 years of age with less than six months' experience in any wholesale establishment shall be paid at the rate of $1.00 less per workweek than the rates for communities listed above.

On and after the effective date of this Code no member of the industry shall work any employee (except executives whose salaries exceed thirty-five ($35.00) dollars per week, night watchmen or outside salesmen, and except outside deliverymen and maintenance employees who may be employed forty-eight hours weekly or more, if paid time and one third for all hours over forty-eight hours weekly), for more than forty (40) hours per week, excepting at Christmas,

inventory, and other peak periods, employees may work forty-eight (48) hours per week for a maximum of not to exceed three weeks in each six months.

Article V—Industry Regulation

Trade-practice rules for fair competition

In recognition of the fact that the entire welfare of the industry is predicated upon competitive conditions of the industry, this Association of wholesale distributors adopts the following Code governing competition:

1. It shall be the policy of this division of the stationery industry, namely, the wholesale stationers' division, to publicly adopt and announce ACCEPTABLE manufacturers' price schedules, and any member of the industry selling or proposing to sell at different prices below those stipulated in these announced price schedules shall be considered as violating this Code.

2. This industry, recognizing the manufacturers' right to safeguard his assets and protect the standing of his products established through advertising and other promotional effort, declares in favor of the resale price policy, and such prices to be contingent upon a proven fair profit and not detrimental to public interests.

3. Uniform dating on seasonal goods, such as Valentines, February 1st; Easter Goods, April 1st; Sporting Goods, April 1st; School Supplies, September 1st; Holiday Goods, November 1st; shall apply under this Code. Also Uniform Cash Discounts—2% 10 days end of month, 30 days net for seasonal or dating orders—all other 2% 10 days E.O.M., 60 days net. (In no case shall cash discounts exceed 2% 30 days or 15th of the month following date of purchase.)

4. Discrimination between distributors by offering consignment arrangements not available to all is a violation of this Code.

5. Offering or giving special cash or trade discounts on mail orders better than given on orders taken by salesmen or through regular channels shall constitute a violation of this Code.

6. Collective group or joint buying, practiced for the purpose to obtain maximum discounts on quantities which the individual buyer or member of the group cannot use for his own account, shall constitute a violation of this Code.

7. The secret payment or offering of allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money, merchandise, premiums, or otherwise, constitutes a violation of this code.

8. Direct factory or drop shipments constituting less than a fixed mimimum shipment, or any small shipment less than a regular minimum shipment (such shipments to be either dollars and cents, merchandise, or weight) as decided upon by various manufacturers' commodity groups, shall be subject to a service charge to be determined by the requirements of each commodity group, and any variation from such practice will constitute a violation of the Code.

9. Definite standards of grades, qualities, sizes, quantities, and counts for fabricated units offered at a unit published price and as established by manufacturers' commodity groups shall be adopted,

and any variation from such schedules as set up will be a violation of this Code.

10. Selling of merchandise at a price reduced from a fictitious or any unreasonably marked-up prices will constitute a violation of this Code.

11. To protect small units of the industry it will be considered an unfair practice for manufacturers to offer to any distributor units of merchandise of larger size or count than will be offered to any other type of distributor at prices which would prohibit the small, indirect buying dealer from profitably selling such merchandise at comparable retail prices.

12. The circulation of threats of suits for infringement of patent or trademark among customers of competitors, not made in good faith but for the purpose and with the effect of harassing and intimidating the customers, constitutes a violation of this Code.

13. With due recognition to initiative in business, the practice of usurping designs, styles, or patterns originated by a competitor and appropriating them for one's own use constitutes a violation of this Code.

14. The imitation of trademarks, trade name, slogans, or other marks of identification of competitors constitutes a violation of this Code.

15. Selling of merchandise at prices below a reasonable mark-up to cover MINIMUM costs of distribution is a violation of this Code. This division of the industry recognizes the right under this title to interchange cost information, price lists, and such other data as may be necessary for the industry to more efficiently operate and to more scientifically serve the requirements of distribution for the public interests.

ARTICLE VI

Each person covered by this code will submit to the administrator or any other agency designated by the President duly certified reports in reference to the cost of doing business or any other figures required for the purpose of showing the effect of said code, and will also furnish to the Secretary of the Wholesale Stationers' Association figures whenever required showing actual hours of work by the various occupational groups of employees and the minimum rates of wages.

ARTICLE VII

It will be considered a violation of this code for any wholesale stationer to stock, promote the sale of, or to do business with any American manufacturer, whether in intrastate commerce or interstate commerce, who does not maintain the wage scale and the maximum hours established by the majority of the manufacturers in said commodity who have submitted a code to the Government.

ARTICLE VIII

For the protection of the small wholesaler and in order to achieve stabilization in our industry and to build consumer buying confidence, the wholesale stationers declare that they will require from

each supplying manufacturer a definite statement of sales policy, i.e., whether the manufacturer sells only through retailers and wholesalers and other retail outlets, or also sells direct to the consumer, or both, and such declaration shall include subsidiaries of said manufacturers, companies operating under other names, and companies in which said manufacturers have major financial interests. The wholesale stationer shall also require from these manufacturers a definite statement of price policy as of each class of distribution—retail, wholesale, and other retail outlets and direct selling. A declaration of such policy by any manufacturer will bind him in honor to abide by his definitely announced policy. Deviation from such policy by manufacturers constitutes a breach of confidence between the manufacturer and his distributors and will be considered by the wholesale stationer as an unfair method of competition. Such violations, after having been established in fact by the Board of Control of the Wholesale Stationers' Association, shall be subject to publication to all wholesalers in the Association.

Article IX

It shall be deemed a method of unfair competition for any supplying manufacturer to extend to any person or group of persons credit terms not extended to all persons or groups of persons under like circumstances and conditions. The wholesale stationers declare such a method to be a method of unfair competition.

Article X

In the event that it becomes necessary for a manufacturer supplier or wholesaler to liquidate surplus, slow moving or obsolete merchandise, the manufacturer or wholesaler shall file with the Secretary of this Association, who will notify the General Manager of the National Stationers' Association for publication to all Commercial Stationers, a statement showing the quantity, styles, and numbers of such merchandise offered for sale. The Secretary shall distribute this list of merchandise to all wholesalers in the affected territory so that such outlets may have the privilege of purchasing or exchanging this merchandise for a period of thirty days. At the end of this period the Secretary may authorize the disposition of that merchandise by its original owner for a period of sixty days at a price to be determined by a special committee appointed for that purpose.

Article XI—Statistics

In order to provide data necessary to supervise the execution of this Code and to determine the fairness and reasonableness of the trade practices heretofore listed, all firms coming under the classification of wholesale stationers shall furnish the Wholesale Stationers' Association necessary statistical information bearing on wages, hours, costs of doing business, etc.

Article XII—Administration

All communications and conferences of the Wholesale Stationers' division of the stationery industry pertaining to or concerning im-

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provements of THIS code or any of its provisions or any matters relating thereto shall be through the Advisory Coordinator who is also the Secretary of the Wholesale Stationers' Association.

The Secretary, acting as manager of this Association, together with the Board of Control, shall be empowered to administer the provisions of this code, to secure adherence thereto, to hear and adjust complaints, to consider proposals for amendments thereof and otherwise carry out within the industry the purposes of the National Industrial Recovery Act.

The Secretary, with the approval of the Board of Control, shall prescribe such other rules and regulations as he shall deem proper for the administration and the enforcement of this code.

ARTICLE XIII

Any violation of any article or section of this code shall be dealt with in a hearing before the Board of Control of the Wholesale Stationers' Association. Penalty for such violation shall be within the discretion of the Board of Control or Committee appointed for the purpose. Repeated violation of the code or refusal to accept such penalty as may be imposed, may subject the violator to suspension or expulsion. When such suspension or expulsion is invoked, the name of the violator and reason for suspension or expulsion shall be filed with the Administrator of the Industrial Recovery Act.

ARTICLE XIV

The Wholesale Stationers, recognizing that there is a close link between the manufacturer and his distributors, hereby declare that they shall permit manufacturers to approve this code in principle and that the names of such manufacturers shall be published and placed in the hands of all wholesale stationers participating in this code.

ARTICLE XV—GENERAL

No provision in this code shall be interpreted or applied in such a manner as to promote monopolies or to eliminate, discriminate against, or oppress small enterprises.

This code and all its provisions is subject to the approval of the President of the United States as provided in the Industrial Recovery Act and is subject to such changes or modifications, from time to time, as the President may direct in accordance with Section 10 (b) of the National Industrial Recovery Act.

This code may be amended by a two thirds affirmative vote of the members of the code, provided that the amendment is approved by the Board of Control and the President of the United States.

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